

Rural Development, including Rural Utilities Service, Rural Housing Service, and Rural Business Service, as well as the Empowerment Zone, Enterprise Community, and Champion Communities programs. Mr. Fern worked hard to help rural Kentucky reap the benefits of these programs. As a result, many community improvements were funded during Mr. Fern's time as State Director of USDA/Rural Development, and I and my fellow Kentuckians owe him a big thank-you. Projects funded under his leadership will improve the quality of life in the great Commonwealth of Kentucky for decades to come.

I rise today to commend Thomas G. Fern for his 35 years of service to the people of rural Kentucky. I ask my colleagues to join me in thanking him and wishing him well.

#### LEGISLATION TO SIMPLIFY THE EXCISE TAX ON HEAVY TRUCK TIRES

**HON. WES WATKINS**

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 6, 2001*

Mr. WATKINS. Mr. Speaker, I rise today to introduce legislation that would simplify the excise tax on heavy truck tires.

The IRS and the tire manufacturers are today laboring under an unnecessary administrative burden. The tire industry pays an excise tax on heavy truck tires that goes directly to the Highway Trust Fund. But the means by which the IRS collects the tax are inefficient and costly. Under the current collection system, the IRS requires manufacturers to weigh each line of taxable tires for each tire size, to track the sales and taxes paid for each tire, and to maintain burdensome compliance systems to verify sales and tax payments by weight. Manufacturers must determine if a tire is for a taxable highway use or for a non-taxable off-road use, and then track whether the purchasers are tax exempt. This system of tax collection is both onerous and wasteful; I propose we change it.

The legislation I am introducing today would reduce these administrative burdens without reducing any revenue to the Highway Trust Fund. It does this by revising the current system based on the weight of the tire to one based on the weight-carrying capacity of the tire. This new system would simplify the payment and collection of taxes for both the tire industry and for the IRS—resulting in reduced expenses for both.

We also may simplify this tax by adopting a bright line that identifies which tires are subject to the excise tax. Under the Federal Motor Vehicle Safety Act, as administered by the Department of Transportation, all tires sold in the U.S. for highway service are required to be marked with the maximum weight carrying capacity of the tire. The IRS would take the data already collected by the DOT and base its tax on the amount per pound of weight carrying capacity. And the tax rate would be set at an amount that provides revenue neutrality to the U.S. Treasury.

This much-needed bright line test would be simple to apply and easy to enforce: Tires that

meet the DOT test by being marked with the appropriate notation are subject to tax. Tires that are not marked cannot be used on the highway.

I encourage my colleagues to join us in supporting this legislation.

#### EXEMPTING PRESCRIPTION DRUGS AND MEDICAL SUPPLIES DISPENSED BY THE DEPARTMENT OF VETERANS AFFAIRS FROM INTEREST CHARGES AND ADMINISTRATIVE COSTS

**HON. PATSY T. MINK**

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 6, 2001*

Ms. MINK of Hawaii. Mr. Speaker, I rise to introduce a bill that exempts prescription drugs and medical supplies that are dispensed by the Department of Veterans Affairs from DVA's interest charge and administrative cost charge.

Under current law, the Department of Veterans Affairs charges interest and administrative costs for any indebtedness resulting from the provision of services and benefits to Veterans.

The interest rate, set by the Department of the Treasury, is 6 percent. The Department of Veterans Affairs has set the administrative rate at 50 cents per month. Veterans should not have to pay this interest charge or administrative collection cost. They should be responsible for the co-payment amount only.

#### INTRODUCTION OF THE COMMUNITY REINVESTMENT MODERNIZATION ACT OF 2001

**HON. THOMAS M. BARRETT**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 6, 2001*

Mr. BARRETT of Wisconsin. Mr. Speaker, I am pleased to reintroduce today, in partnership with my colleague, Rep. LUIS GUTIERREZ, the Community Reinvestment Modernization Act of 2001, a very strong piece of legislation to modernize our fair lending laws to keep pace with the times. We first introduced this legislation during the last session of Congress in July of 2000.

There are a lot of people who have worked very hard to bring us to this point today and I'd like to say a special word of thanks to the National Community Reinvestment Coalition. In particular, John Taylor and Josh Silver have been instrumental from day one in drafting this legislation.

This bill is absolutely critical to helping creditworthy Americans gain access to credit and banking services. Since 1977, CRA has encouraged banks and thrifts to commit more than \$1 trillion in private reinvestment dollars for mortgages, small business loans and community development loans for traditionally underserved communities. In the Milwaukee area alone, CRA has channeled over \$200 million in lending to low- and moderate-income citizens and neighborhoods.

The timing for CRA is crucial. CRA will become less effective if it is not updated to keep pace with the rapid changes that are occurring in the financial services marketplace as a result of the Gramm-Leach-Bliley Financial Modernization Act of 1999. The Community Reinvestment Modernization Act of 2001 will ensure that the hundreds of thousands of Americans, most often minorities and the working poor, will continue to have access to capital and credit.

The bill is endorsed by the National Community Reinvestment Coalition, the U.S. Conference of Mayors, the National League of Cities, and the Association of Community Organizations for Reform NOW (ACORN).

In my hometown of Milwaukee, it is supported by the Mayor of Milwaukee, the Fair Lending Coalition, Interfaith Conference of Greater Milwaukee, Hope Offered through Shared Ecumenical Action (HOSEA), the Local Initiatives Support Corporation (LISC), the Neighborhood Housing Services of Greater Milwaukee, Milwaukee Innercity Congregations Allied for Hope (MICAHA), the Metropolitan Milwaukee Fair Housing Council, the National Association for the Advancement of Colored People (NAACP), Select Milwaukee and the Legacy Bank.

So many people and institutions support this bill because CRA is not only the right thing to do, it is the profitable thing to do. According to a Federal Reserve Board report issued in July of 2000, 91% of home lending and 82% of small business lending under CRA is profitable. This is comparable to any other type of lending.

The bill we are reintroducing today will update CRA to match the increased market powers the Financial Modernization Act creates. It will make banks accountable again by updating CRA to cover all loans and lenders. This not only includes mortgage companies, but also insurance companies, investment firms and other affiliates of banks that will increasingly be offering loans and basic banking products in the new financial world.

In addition to extending CRA to all loans and lenders, the CRA Modernization Act of 2000 would: (1) Make insurance more available, affordable and accessible to minorities and low-income citizens; (2) improve data collection for small business and farm loans; (3) require a notice and public comment period for mergers between banks, insurance and investment companies; (4) require that HMDA data also include information on loan pricing and terms, including interest rates, discount points, origination fees, financing of lump sum insurance payment premiums, balloon payments, and prepayment penalties; (5) prohibit insurance companies that violate fair housing court consent decrees from affiliating with banks; and (6) penalize a financial institution and its affiliates through reduced CRA ratings if the institutions have engaged in predatory lending.

CRA is paramount to continuing the progress this country has made towards eradicating discrimination in the financial services marketplace. And it is imperative that we modernize this important law now. The bottom line is that CRA is good for business. It not only levels the playing field to make sure that all creditworthy Americans have access to capital and credit, it makes good business sense.